

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

ILLINOIS BELL TELEPHONE)	
COMPANY)	ICC DOCKET NO. 00-0393
)	
Proposed Implementation of High)	
FrequencyPortion of Loop (HFPL)/Line)	
Sharing Service)	

INITIAL BRIEF OF AT&T COMMUNICATIONS OF ILLINOIS, INC.

AT&T Communications of Illinois, Inc. ("AT&T") hereby submits its Initial Brief in the above-captioned docket. Pursuant to the schedule established by the Hearing Examiner and agreed to by Staff and all interested parties, initial briefs are due on or before November 17, 2000 and reply briefs are due on or before December 8, 2000. AT&T's Initial Brief focuses on Section II of the parties' agreed Brief Outline, which deals with Line Splitting Over UNE-P Loops

II. LINE SPLITTING OVER UNE-P LOOPS

A. AMERITECH'S HFPL TARIFF

On April 21, 2000, Ameritech Illinois ("Ameritech") filed its "High Frequency Portion of Loop (HFPL)/Line Sharing Service" tariff in alleged compliance with the FCC's Order dated December 9, 1999 in CC Docket Nos. 98-147 and 96-98, which required all ILECs, including Ameritech, to make line sharing available in its service territory. See FCC's Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98, FCC 99-355, rel. December 9, 1999 ("Line Sharing Order"). According to the FCC's definition, "line sharing" occurs when the

ILEC provides voice service over the low frequency portion of the loop and a data LEC provides data service using the high frequency portion of the same loop. A “splitter” device is a passive electronic device required to separate the high frequency and low frequency portions of the loop for the provision of both voice and advanced services over that loop. AT&T Ex. 2.0, pp. 13-14 ; Tr. 697, 699.

According to Ameritech’s HFPL tariff, in a line sharing arrangement the data LEC can either lease the splitter from Ameritech or the data LEC can self-provide the splitter. Ameritech’s HFPL tariff, which was suspended by the Illinois Commerce Commission (“Commission”) on June 1, 2000, is riddled with many flaws, as outlined in the letters of objection filed by AT&T, Rhythms Links, Inc. and Covad Communications Company and as clearly demonstrated by the overwhelming evidence in this proceeding.

The problems with Ameritech’s HFPL tariff relate not only to what it provides, but also to what it does not provide. Notably, Ameritech’s HFPL tariff fails to provide access to the high frequency portion of an unbundled loop to a voice provider providing voice service using the combination of network elements known as the UNE-Platform, or UNE-P. This scenario, in which the voice service is provided by the UNE-P voice provider and the data service is provided by a data LEC (which may or may not be the same as the UNE-P voice provider), is commonly referred to as “line splitting” by the FCC.¹

Competitive local exchange carriers (“CLECs”) are entitled to reasonable and nondiscriminatory access to the high frequency spectrum of the local loop when they provide local voice service using an unbundled loop, in particular a loop obtained as part

¹ Because the ILEC does not provide the voice service, this scenario cannot and does not, by definition, constitute “line sharing” as defined by the FCC’s Line Sharing Order.

of the UNE-P. Known as “line splitting” in this context, it entails the ability to acquire line splitters from Ameritech Illinois, as described further below, as well as the provision of associated ordering, provisioning and maintenance functions by Ameritech Illinois. Line splitting is necessary for AT&T and other UNE-P CLECs to gain access to *all* of the features, functions and capabilities of the loop they have purchased, including the HFPL, and is thus required by the federal Telecommunications Act of 1996² and the FCC’s implementing rules, including FCC’s Rule 51.307(c).³

Ameritech’s HFPL/Line Sharing Service tariff fails to offer this “line splitting” option despite the clear requirement of the federal Act and the FCC’s rules that ILECs are obligated to provide CLECs with *all* features, functions and capabilities of unbundled network elements, including the unbundled loop. Not surprisingly, no party contends that the high frequency portion or spectrum of the loop is not a feature, function or capability of the loop; the FCC expressly confirmed this fact in its Line Sharing Order. FCC Line Sharing Order, ¶17. Moreover, Ameritech concedes that it is technically feasible to provide “line splitting” to UNE-P CLECs; indeed, there is no technical or engineering difference between provisioning line sharing and line splitting. By failing to make “line splitting” available to UNE-P voice providers, Ameritech is unlawfully hindering AT&T and other new entrants from providing advanced services even as SBC is aggressively and successfully deploying its own advanced services throughout Illinois. In fact, several

² See, e.g., 47 U.S.C. §§ 251(c)(3); 271(c)(2)(B)(ii), (iv); 153(29) (defining “network element” to include “features, functions, and capabilities that are provided by means of such [network element]”).

³ See 47 C.F.R. 51.307(c) (“An incumbent LEC shall provide a requesting telecommunications carrier access to an unbundled network element, along with all the unbundled network element’s features, functions and capabilities, in a manner that allows the requesting telecommunications carrier to provide any telecommunications service that can be offered by means of that network element”).

state arbitration panels have already required SBC and/or Ameritech to provide line splitting to UNE-P CLECs, including those in Texas, Oklahoma, Michigan and Wisconsin (Tr. 478-479). The Commission should adopt this pro-competitive requirement as well.

B. THE COMPETITIVE LANDSCAPE REQUIRES THAT AMERITECH OFFER LINE SPLITTING SO THAT UNE-P CLECS CAN MEANINGFULLY COMPETE WITH SBC-AMERITECH'S BUNDLE OF VOICE AND ADVANCED SERVICE OFFERINGS.

Customer demand for broadband-based services is growing rapidly with the expansion of capabilities such as high-speed Internet access. DSL technologies are uniquely capable of supporting competitors' efforts to provide voice and high-speed Internet access efficiently to the mass market of consumers over the existing wireline loop infrastructure.⁴ The DSL market is set to explode from 300,000 lines in 1999 to 2.5 million lines by the end of this year.⁵ This exponential growth is due, in large part, to consumer demand for increasing speeds of Internet access. It is also due in part to SBC's aggressive pursuit of a strategy calculated to ensure that SBC – and no one else – can

⁴ xDSL technologies place equipment, generally at each end of a local loop, that permits offering of a wide variety of data capabilities including (among others) asymmetric digital subscriber line ("ADSL"), symmetric digital subscriber line ("SDSL"), ISDN digital subscriber line ("IDSL"), rate adaptive digital subscriber line ("RADSL", a variant of ADSL), and high-bit-rate digital subscriber line ("HDSL"). In particular, deployment of ADSL technology enables consumers to have an "always on" connection to the Internet over their existing phone line, while still leaving the line "free" to initiate and receive voice calls.

⁵ Business Wire, April 12, 2000, "Three of Nation's Largest Cities to Experience Major New DSL Rollout." By the end of 2004, the Yankee Group estimates that cable industry's market share in high-speed Internet access services is expected to shrink to about 42 percent, as DSL services become more widely available. Id.

offer “all the pieces” that consumers want.⁶ SBC’s Project Pronto initiative is designed to maintain its first-mover advantage and to further SBC’s well-documented efforts to smother competition.⁷ SBC has announced that it is spending \$6 billion to ensure that, by year-end 2002, 77 million customers in its service territories will be able to order bundled local voice and high-speed data services from SBC.⁸ SBC’s plans call for it to sell and install a million DSL connections by the end of this year, up from 139,000 on January 1, 2000.⁹ By year-end 2001, SBC’s Chairman and Chief Executive Officer Edward Whitacre estimates, SBC will capture 2 million DSL customers.¹⁰ AT&T Ex. 1.0, pp. 26-27.

SBC’s rapid deployment of DSL service for provisioning advanced services has clearly become a key component of SBC’s strategy and gives it a huge first-mover advantage in the residential marketplace. Currently, nine out of every ten DSL subscribers in SBC’s territory in Texas receives their DSL service from SBC. SBC 4/21 Ex Parte Letter (report on PM 58-09). Even more significantly, *every* customer that receives both DSL and voice service over a single loop in SBC-Ameritech’s territory in Illinois currently receives his or her voice service from SBC – and SBC continues not to cooperate with UNE-P carriers who threaten SBC’s voice monopoly. Thus, SBC

⁶ SBC Communications, Inc., “SBC Launches \$6 Billion Initiative To Transform it into America’s Largest Single Broadband Provider,” SBC News Release at 5 (Oct. 18, 1999) (“SBC Pronto Press Release”)(quoting SBC Chairman Edward E. Whitacre, Jr.).

⁷ CC Docket 00-4, Comments of AT&T Corp. at 9-26; CC Docket 00-65, Supp. Comments of AT&T Corp. 10-12.

⁸ See “SBC Becomes America’s Largest Single Broadband Provider With \$6 Billion Initiative” (visited June 13, 2000)
<http://www.sbc.com/Technology/data_strategy/project_pronto/Home.html>

⁹ Fortune, June 12, 2000, “Why the Biggest Baby Bell Is Wild About Broadband,” (“Wild About Broadband”).

¹⁰ Id.

continues to be uniquely positioned to serve millions of Illinois homes with bundles of voice and advanced services. AT&T Ex. 1.0, pp. 28-29.

In light of these statistics, it is not difficult to understand why SBC has denied, and continues to deny, CLECs the ability to satisfy consumers' demand for bundled voice and advanced services via UNE-P. It is certainly not a matter of technology limitation or lack of efficient operational processes; the feasibility of adding ILEC-deployed splitters, with minimal interruption of voice service, is beyond dispute. Indeed, this is what SBC-Ameritech will do for data CLECs that wish to line-share. Rather, it is a matter of simple economics. SBC clearly recognizes the demand for advanced service capabilities, as well as the need to engineer a considerable "first-mover" advantage. SBC also recognizes the strategic significance of providing "one-stop shopping" for the range of services that consumers want and expect.¹¹ AT&T Ex. 1.0, pp. 28-29.

There can be no question, then, that new entrants in the local telephone business need the ability to provide high-speed data transmission capabilities in addition to traditional voice telephony in order to succeed in this market.¹² Such advanced services have the potential to reach the broadest range of customers if they can be marketed on the basis of bundled packages of services and if they can be efficiently and seamlessly added on to customers' existing voice lines. Conversely, if access to the HFPL over which data services are offered is possible effectively where only the incumbent LEC is the voice

¹¹ See, e.g., SBC Communications, Inc., "SBC Launches \$6 Billion Broadband Initiative," SBC News Release at 4 (Oct. 18, 1999) ("SBC Pronto Press Release").

¹² See, e.g., Fortune, June 12, 2000, "Why the Biggest Baby Bell Is Wild About Broadband" (SBC Chairman Edward Whitacre explained "[b]roadband will be indispensable, and it's going to happen pretty quickly It will be as basic as telephone service").

provider, competition for voice services will be severely limited in this attractive local market segment.

UNE-P is the foundation on which CLECs such as AT&T can provide residential customers a full array of competitively priced, high-quality voice services on a broad geographic basis. Thus, critical to the CLECs' ability to compete with Ameritech Illinois is that they be able to use UNE-P to provide all the capabilities customers demand for not only voice but also data services. UNE-P based providers must be able to do so as swiftly, seamlessly, reliably, and economically (using a single loop to the customer's premises) as when Ameritech Illinois provides voice service and a data-only CLEC provides data services over a customer's existing loop. To effectively compete with Ameritech for both voice and data services, UNE-P CLECs must be able to access the HFPL in conjunction with providing voice services via the UNE-Platform in a "line splitting" arrangement.

1. AT&T Is Entitled To All Features, Functions And Capabilities Of The Loop, Including The HFPL.

When a CLEC purchases the UNE-Platform from an ILEC to serve a customer, it purchases, among other network elements, an unbundled local loop. By obtaining the loop UNE, the CLEC is entitled to receive access to the full features, functions, and

capabilities of that unbundled loop¹³ so that it has a meaningful opportunity to compete with the ILEC and provide the customer with data, as well as voice, services. Beginning with its Local Competition Order and as recently as its New York 271 Order, the FCC has held that an ILEC “must also provide access to any functionality of the loop requested by a competing carrier unless it is not technically feasible to condition the loop facility to support the particular functionality requested.”¹⁴ AT&T Ex. 1.0, p. 7. This includes the obligation to provide unbundled access to loops capable of transmitting digital signals, such as xDSL.¹⁵ AT&T Ex. 1.0, pp. 7-8. And in so doing the ILEC may not impose “limitations, restrictions, or requirements on requests for, or the use of unbundled network elements that would impair the ability of a requesting

¹³ TA 96 itself defines the term “network element” to include all “features, functions, and capabilities that are provided by means of such [network element].” 47 U.S.C. § 153(29); 47 C.F.R. § 51.307(c). The Act also requires Ameritech to provide “nondiscriminatory access” to its network elements so that CLECs can provide the “telecommunications service” they seek to offer. 47 U.S.C. § 251(c)(3); *see also* 47 U.S.C. § 251(d)(2).

¹⁴ New York 271 Order, ¶ 271; *See also* Local Competition Order, ¶ 381. The Texas Arbitration Panel in the arbitration between AT&T and Southwestern Bell Telephone Company (“SWBT”) recently endorsed this view: “The Arbitrators agree with AT&T that it is purchasing all capabilities of the loop including the low and high frequency spectrum portion of the loop when it purchases the unbundled loop in combination with the switch port or the unbundled network element platform (UNE-P). As noted by AT&T, in the FCC’s *Line Sharing Order* the FCC defined the high frequency portion of the loop as a capability of the loop. In order to gain access to the high frequency portion of the UNE loop, line splitting is required.” Petition of Southwestern Bell Telephone Company for Arbitration with AT&T Communications of Texas, L.P., etc., Docket No. 22315, Public Utility Commission of Texas, Revised Arbitration Award (September 27, 2000)(hereinafter “Revised Arbitration Award”) at 18-19. This Revised Arbitration Award has been admitted into the record as AT&T Schlackman Cross Ex. 1.0.

¹⁵ Local Competition Order, ¶ 380.

telecommunications carrier to offer a telecommunications service in the manner the requesting telecommunications carrier intends.”¹⁶

In its Texas 271 decision, moreover, the FCC held that AT&T’s position on line splitting had *not* been resolved and that it merited prompt consideration. Not only that, in its decision the FCC noted that the entire issue was subject to resolution through further negotiation and arbitration at the state level.¹⁷ AT&T Ex. 2.0, pp. 7-8. The recent decision by the Texas Arbitration Panel in the AT&T/Southwestern Bell Telephone Company (“SWBT”) arbitration in Texas – addressing, among other things, AT&T’s petition for line splitting – illustrates that state action need not await action on the part of the FCC. Finding that the Texas PUC has the authority to order nondiscriminatory access to the high frequency spectrum portion of the loop, the Arbitrators stated:

The FCC has clearly stated that its requirements are the minimum necessary, and that state commissions are free to establish additional requirements, beyond those established by the FCC, where consistent.¹⁸ Indeed, in the *SWBT Texas 271 Order*, the FCC acknowledged that line splitting, a recent development, would be subject to potential arbitration before the Texas Commission.

Revised Arbitration Award (AT&T Schlackman Cross Ex. 1.0), p. 19. Ameritech agrees that state commissions have the authority to order line splitting. Tr. 696.

¹⁶ UNE Remand Order, ¶ 167; 47 C.F.R. § 51.309(a). In implementing line splitting, SBC/Ameritech must, therefore, not be allowed to: (1) render UNE-P based voice service more cumbersome or costly to order; (2) require UNE-P CLECs to reorder or replace the UNEs used to provide UNE-P based service; (3) impose inefficient or unnecessary operational processes or interfaces for ordering and provisioning the UNE-P-based voice service; or (4) change the manner, unless technically unavoidable, in which maintenance, repair and billing functions are currently provided for UNE-P based voice service. In short, any order by this Commission requiring SBC/Ameritech to facilitate line splitting must require it to do so in the most efficient and least disruptive manner from both a technical and systems perspective.

¹⁷ SWBT Texas 271 Order, at para. 329.

¹⁸ *Citing* UNE Remand Order at ¶¶ 154-60; Line Sharing Order at ¶¶ 223-25.

Not only did the Texas Arbitration Panel find that state commissions have the authority to impose line splitting requirements, but it steadfastly concluded that “sound public policy” requires that SWBT provide AT&T with a UNE loop that is fully capable of supporting any xDSL service, as AT&T had requested.¹⁹ As they recognized, line splitting and line sharing are virtually the same from a technical standpoint and, if consumers are to benefit from competition, then ILECs must support line splitting as well as line sharing.

In order for Ameritech to fulfill its obligation to provide UNE-P CLECs access to the high frequency portion of the loop – which is indisputably a feature, function and/or capability of the unbundled loop (Tr. 697) -- Ameritech must insert a “splitter” on the line to separate the high frequency spectrum of the loop from the low frequency spectrum of the loop used to provide voice service. Without the splitter, a CLEC providing voice service over an unbundled loop cannot gain access to the high frequency portion of that loop –a pre-existing right it has under the federal Act and the FCC’s implementing rules to obtain that feature, function and capability of the loop. Ameritech therefore has an obligation to provide line splitting to allow AT&T and other UNE-P CLECs the access to which they are lawfully entitled.

The Texas Arbitration Panel agreed with AT&T that SWBT, Ameritech’s sister affiliate, must provide line splitting in order for AT&T to gain access to the HFPL:

The Arbitrators agree with AT&T that it is purchasing all capabilities of the loop including the low and high frequency spectrum portion of the loop when it purchases the unbundled loop in combination with the switch

¹⁹ Revised Arbitration Award at 19.

port or the unbundled network element platform (UNE-P).²⁰ As noted by AT&T, in the FCC's *Line Sharing Order* the FCC defined the high frequency portion of the loop as a capability of the loop.²¹ In order to gain access to the high frequency portion of the UNE loop, line splitting is required.²²

* * * * *

The FCC has previously stated that an ILEC must provide a requesting telecommunications carrier access to UNEs, along with all of the UNE's features, functions, and capabilities, "in a manner that allows the requesting telecommunications carrier to provide **any** telecommunications service that can be offered by means of that network element."²³ The FCC has held on numerous occasions that this duty applies to the CLECs' use of unbundled loops to provide DSL services.²⁴ The FCC reiterated in the *UNE Remand Order* that the loop includes "attached electronics" if such electronics are necessary to fully access the loops features, functions and capabilities in order to provide service to end users.²⁵

The Arbitrators find that line splitting is necessary to gain access to the high frequency portion of the loop in order to allow AT&T to take advantage of the full functions, features, and capabilities of the loop. The Arbitrators find, consistent with the *UNE Remand Order*, that excluding the splitter from the definition of the loop would limit its functionality.²⁶ The Arbitrators further find that it is technically feasible for SWBT to furnish and install splitters to gain access to the high frequency portion of the UNE loop when purchased in combination with the switch port.

Revised Arbitration Award (AT&T Schlackman Cross Ex. 1.0), pp. 19-20.

Moreover, as AT&T witness Mr. Turner testified, ordering Ameritech to provide splitters to the unbundled loops AT&T purchases is required by and consistent with Ameritech's obligations under the AT&T/Ameritech Illinois Interconnection Agreement.

²⁰ A SWBT-combined UNE-P has an existing cross-connect jumper wire between SWBT's cable pair and the central office equipment. Arbitration Hearing Tr. at 255 (Aug. 1, 2000).

²¹ *Line Sharing Order* at para. 17; Arbitration Hearing Tr. at 257 (Aug. 1, 2000).

²² Arbitration Hearing Tr. at 349; 359-60 (Aug. 1, 2000).

²³ 47 C.F.R. § 51.307 (emphasis added).

²⁴ See, e.g., *First Report and Order* at paras. 380, 382; *UNE Remand Order* at paras. 166-67.

²⁵ *UNE Remand Order* at para. 175.

²⁶ Id.

AT&T Ex. 2.0, pp. 19-21. This Agreement, in effect until at least January 2002, permits AT&T to use network elements to provide *any technically feasible* feature, function or capability that a network element may provide, and to provide any telecommunications service that can be offered by means of those network elements. Id. This Commission should reach the same conclusion.

2. The Splitter Is An Integral Part of the Loop; Thus, Ameritech Is Required By Law To Provide It As Part Of The Unbundled Loop

Not only are splitters required for UNE-P CLECs to gain access to all the features, functions and capabilities of the loop, but the splitter is actually part of the “attached electronics” of the loop. According to the FCC’s UNE Remand Order, the unbundled loop includes the “attached electronics” necessary to access all features, functions and capabilities of the loop, with the exception of DSLAMs. UNE Remand Order, ¶ 175. As AT&T witness Mr. Turner testified, the splitter is a passive electronic filter that is attached to the loop to split or separate signals on the basis of their transmission frequencies. The splitter enables the low-frequency voice signals on the loop to be directed to a circuit switch and the high-frequency data signals on that loop to be delivered to a packet switching network (including DSLAMs). AT&T Ex. 1.0, pp. 14-15; AT&T Ex. 2.0, pp. 13-15. The FCC has repeatedly recognized that the splitter is used not only to isolate data signals traversing the loop, but also to separate the voice signals for routing to the local carrier’s voice switch. As described by the Commission in the Line Sharing Order, “[a] splitter bifurcates the digital *and voiceband* signals concurrently traversing the local loop, *directing the voiceband signal through a pair of copper wires to the Class 5 switch*, and directing the digital traffic through another pair of

cooper wires to a DSLAM attached to the packet-switched network.”²⁷ Thus, unlike the DSLAM, which is used “exclusively to provide advanced services,” the splitter plays an essential role in modifying the local loop to permit the delivery of both voice and advanced services over a single loop. AT&T Ex. 1.0, p. 15.

SBC and Ameritech-- of all parties -- should recognize this distinction, given the care taken by the FCC in its SBC/Ameritech Merger Order to differentiate between equipment used entirely for advanced services and standalone splitters that are used to provide access for both the voice and data portions of the unbundled loop. That order permitted SBC’s ILECs to transfer DSLAMs to their “separate affiliate” and also to transfer other equipment that is used solely to provide data services, but it specifically prohibited SBC’s ILECs from transferring to their affiliate the splitters used to separate the voice and data signals on a customer's loop.²⁸ Indeed, SBC has elsewhere invoked the merger order to argue that splitters used to separate voice and data signals are not “advanced services equipment” and are properly the province of the ILEC rather than any separate affiliate.²⁹ AT&T Ex. 1.0, pp. 15-16. Thus, standalone splitters are *not* advanced services equipment. Rather, the splitter is an integral part of the loop element.

Moreover, adding a splitter to a loop involves procedures that are analogous, in all relevant technical respects, to the adding or removing of other loop electronics (such as bridged taps or load coils) that ILECs routinely provide and are obligated to provide as part of loop conditioning. AT&T Ex. 2.0, pp. 14-15. The Texas Arbitration Panel, in rejecting the notion that it is appropriate to analogize splitters to DSLAMs, agreed that

²⁷ Line Sharing Order ¶ 66 (emphasis supplied).

²⁸ See SBC/Ameritech Merger Order ¶ 365 & n.683, App. C at ¶ 3(d).

²⁹ Letter from Paul K. Mancini, SBC, to Carol E. Matthey, FCC, CC Docket No. 98-141, at 2-3 (June 2, 2000).

the addition of a splitter to the UNE loop is no different the other conditioning (including bridge taps and load coils) an ILEC does on its loops. As the Arbitration Panel correctly noted, a splitter is a piece of passive electronic equipment necessary to access both the voice and data portions of the loop in order to provide an end user customer with both voice and xDSL service, and that “excluding the splitter from the definition of the loop would limit its functionality.” Texas Revised Arbitration Award, p. 20.

3. Line Sharing And Line Splitting Are Technically Identical; Thus, There Is No Legitimate Technical Impediment To Line Splitting.

Advanced data services are offered through the use of xDSL technologies, which take advantage of the ability to split a loop into separate high frequency and low frequency components. As noted earlier, the low-frequency portion is used to provide voice services, and the high frequency portion may be used for high-speed digital data services. The xDSL technologies are uniquely capable of supporting efforts to provide voice and high-speed Internet access efficiently to customers over the existing wireline loop infrastructure.

From a technical viewpoint, as AT&T witness Mr. Turner testified, “line sharing” and “line splitting” are identical, and equally feasible. *See* AT&T Ex. 1.0, pp. 7-8, 14, 19-21, 25. In fact, the network configuration AT&T is requesting for line splitting is the *same* configuration SBC-Ameritech employs for line sharing with an Ameritech-owned splitter. AT&T Ex. 1.0, p. 23. *See also* Ameritech Illinois Ex. 1.0, Sch. BS-2. Operationally, then, Ameritech Illinois would provide line-*splitting* HFPL access on a UNE loop in much the same way it provides line-*sharing* with data CLECs when Ameritech Illinois provides the underlying local voice service. AT&T Ex. 1.0, pp. 7-8,

14, 19-21, 23, 25. In either case, the customer's loop would come into the MDF. From there, Ameritech Illinois would connect the loop to a splitter located near (or on) the MDF to separate the low-frequency voice and high-frequency spectrum. The transmissions in the voice frequency are separated by the splitter and returned to an MDF appearance where it is cross-connected to the Ameritech Illinois switch port. The transmissions in the high frequency spectrum of the loop (i.e., the data signals) are also separated by the splitter terminated at a frame appearance and then cross-connected to a DSLAM. Tr. 460-461; AT&T Ex. 1.0, p. 14. Thus, regardless of who provides the voice service (or for that matter the data services), the equipment required and the manner in which it is connected to provide access to the HFPL of the loop are the same.

The salient distinction between line splitting and line sharing is not technical but rather that, under line splitting, Ameritech Illinois is *not* the voice provider. In line splitting, a CLEC such as AT&T acquires the loop as a UNE (i.e., via the "UNE-P" arrangement), and in turn provides both the voice and data services, either by itself or in conjunction with a data carrier. As AT&T witness Mr. Turner testified, SBC's own submissions to the FCC demonstrate that SBC can and will provide precisely the same equipment configuration AT&T requests here for line splitting when the requesting carrier does not seek to compete for the voice services that SBC provides over the loop. AT&T Ex. 1.0, pp. 10-11. Indeed, SBC-Ameritech witness Ms. Schlackman candidly agreed that there are no engineering or technical differences why AT&T's requested line splitting configuration using an ILEC-owned splitter cannot be implemented. Tr. 467. Thus, there is no technical impediment to AT&T's line splitting request, and the

Commission should require Ameritech to implement it. AT&T Ex. 1.0, pp. 7-8, 14, 19-21, 23, 25.

In fact, the addition by Ameritech of a stand-alone splitter to the loop is akin to the conditioning of loops for DSL service, which the ILEC is required to do. Adding a splitter to a loop involves procedures that are analogous, in all relevant technical respects, to the adding or removing of other loop electronics (such as bridge taps or load coils) that incumbent LECs routinely provide and are obligated to provide as part of loop conditioning.³⁰ AT&T Ex. 1.0, pp. 16-17 ; AT&T Ex. 2.0, p. 15. In the Revised Arbitration Award in Texas, the arbitrators found that the addition of a splitter is like the other conditioning an ILEC does on its loops.³¹

4. Ameritech Should Provision Splitters On a Line-At-A-Time Basis, At A Minimum.

Encompassed within line splitting are issues involving the basis on which splitters are provided and provisioned. Ameritech Illinois should, at a minimum, be required to offer splitters on a “line at a time” basis, as it does in the case of data CLECs, and under a provisioning option that does *not require collocation*. AT&T Ex. 1.0, p. 11-12. When Ameritech Illinois leases an Ameritech-owned splitter to AT&T, Ameritech Illinois should place the splitter as near as possible to the Main Distribution Frame (MDF) in each central office so as to minimize cabling costs. This proposal represents efficient engineering practice because, first of all, cabling is more costly than the splitters.

³⁰ The splitter is not a network element in its own right, but an optional functionality of the loop element that is necessary to provide voice service when a customer requests advanced data services on the same line, the very pro-competitive configuration the FCC found necessary to support competition in the Line Sharing Order.

³¹ Revised Arbitration Award (AT&T Schlackman Cross Ex. 1) at 18-21.

Moreover, placing the splitters near the MDF eliminates additional potential points of failure and minimizes the loss and interference that can occur in the voice and data paths, thus increasing the quality of service.

5. Ameritech's Failure To Provide Line Splitting Imposes Unnecessary Collocation Requirements, Is Discriminatory And Is Competitively Crippling.

SBC-Ameritech provides itself, and in connection with the implementation of the Line Sharing Order has agreed to provide to carriers seeking to offer only xDSL service over Ameritech's voice service, the ability *efficiently* to combine voice and xDSL service over the existing, functioning loop. AT&T Ex. 1.0, p. 4.

Ameritech Illinois, as Mr. Turner testified, has taken and remains able to take full advantage of line sharing. If one of its voice customers wants to add DSL service to the loop, the customer can do this cheaply, efficiently and without fear of losing his or her voice service. As it stands, if a voice customer wants to add DSL service to his or her line, this voice customer likely has no choice for its voice service other than Ameritech Illinois. Ameritech Illinois has provided itself with the ability to engage in line sharing with its own data affiliate and with other CLECs, but it has refused to enable voice CLECs using UNE-P efficiently to add their own (or a cooperating data CLEC's DSL) capabilities through line splitting.

Ameritech's refusal to permit AT&T to obtain the same capability for a UNE-P loop – particularly when the technical procedures to enable AT&T to do so are exactly the same as Ameritech will use for itself or the data CLECs – is a blatant violation of Sections 201 and 251 of the federal Telecommunications Act of 1996. AT&T Ex. 1.0, pp. 4-5, 11. Moreover, denying AT&T access to the data capabilities of the loop when

AT&T provides local service using UNE-P is discriminatory relative to Ameritech Illinois' dealings with data CLECs, and materially affects the ability to use UNE-P as a local market entry strategy for the consumer mass market. AT&T Ex. 1.0, pp. 4-5, 11, 24-25; AT&T Ex. 2.0, pp. 16-17. In short, Ameritech Illinois' denial of line splitting is unreasonable and discriminatory and therefore unlawful.³²

a. Ameritech's "Rip-It-Apart" Proposal For Adding Advanced Services For An Existing UNE-P Voice Customer Imposes Unnecessary And Costly Requirements, Including Collocation.

There is no dispute than in a line sharing context, the data CLEC must collocate a DSLAM in its collocation space. In those central offices in which Ameritech voluntarily agrees to provide the splitter, however, the data CLEC is not required to collocate a splitter, but can use an Ameritech splitter to engage in line sharing. In fact, Ameritech has already provisioned at least 57,000 splitters throughout Illinois (Tr. 457), and has provisioned splitters in *every* central office in which a data CLEC has requested one. Tr. 458. Thus, no data CLEC is required to self-provide a splitter to engage in line sharing, and no data CLEC is required to collocate a splitter to engage in line sharing. Thus, Ameritech's HFPL tariff does not require that the splitter be collocated by the advanced services provider in the line sharing context.

³² In the Revised Arbitration Award in the arbitration between SWBT and AT&T released on September 27, 2000, the Arbitrators found that "there is no technical distinction between line sharing and line splitting, as the splitter provides access to the same functionality of the loop in both contexts." Consequently, they agreed with AT&T that "it is discriminatory for SWBT to provide the splitter in a line sharing context while not providing the splitter in a line splitting context." *Id.* at 21.

Ameritech does, however, require collocation of the splitter in the *line splitting* context, despite the fact that the network configuration for line splitting is identical to the network configuration for line sharing with an ILEC-owned splitter. Tr. 705-707; 724. When AT&T or another UNE-P voice provider seeks to access the high frequency portion of its loop, Ameritech requires that the splitter be collocated, either by the UNE-P voice provider or by the data CLEC. As SBC-Ameritech witness Ms. Chapman testified, the process a UNE-P voice provider would need to go through to add advanced services to an end user's account – *even assuming the same loop can be used, which is not guaranteed* (Tr. 708) – requires AT&T to disconnect its UNE-P arrangement and establish a new arrangement involving multiple steps, including collocation, loop qualification inquiries, multiple local service requests for network elements and cross connections, and exact coordination between and among all the steps to ensure that the end user's service is not interrupted. Tr. 705-715. See also AT&T Ex. 1.0, p. 22. As SBC-Ameritech Ms. Chapman admitted, if the data CLEC does not already have a collocated splitter, under Ameritech's proposal, a UNE-P voice provider would have no choice but to begin at square one by establishing a collocation arrangement with Ameritech to collocate the splitter in order to provide both voice and data service to the end user customer. Tr. 724. As Ms. Chapman also conceded, many data CLECs do not, in fact, collocate their own splitters. Tr. 724.

As the Texas Arbitration Panel has already found, Ameritech's failure to provide the splitter in the line splitting context – instead requiring the UNE-P voice provider to provide and collocate it – will “severely limit[] the number of data CLECs with which a UNE-P provider can partner in order to offer advanced services,” which “could prove to

be crippling from a competitive standpoint.” Revised Arbitration Award, pp. 21-22.

This undue cost and delay will undeniably impede UNE-P voice providers from competing with SBC-Ameritech’s aggressive DSL strategy and its Broadband Service offerings, all of which require collocation. Tr. 737-738.

There is no valid technical or operational basis for Ameritech’s discriminatory practice of requiring collocation and imposing its other inefficient provisioning restrictions for line splitting – restrictions and requirements it does not impose for line sharing. Nonetheless, Ameritech Illinois’ position would require the CLEC to purchase collocation space in every central office, add line splitters, and order and combine loops and switch ports in an uncoordinated manner in order to gain access to the HFPL. This collocation restriction – reminiscent of its insistence on collocation even in order to combine UNEs that are ordinarily combined in Ameritech Illinois’ network – is needlessly costly and inefficient.

The Texas Arbitration Panel agreed, appropriately concluding that SWBT’s collocation requirement would “significantly prohibit[] UNE-P providers from achieving commercial volume” for the following reasons:

The evidence in this case shows that SWBT’s proposal requiring UNE-P CLECs to collocate in order to gain access to the high frequency portion of the loop, (1) unnecessarily increases the degree of coordination and manual work and accordingly increases both the likelihood and duration of service interruptions; (2) introduces unnecessary delays for space application, collocation construction, and splitter installation; and (3) unnecessarily wastes central office and frame space.

Texas Revised Arbitration Award, p. 22.

Ameritech's collocation requirement would have the same competition-stifling effect in Illinois. AT&T Ex. 1.0, pp. 22-23 (discussing the same unnecessary, costly and anticompetitive concerns as expressed by the Texas Arbitration Panel). In addition, it would, as a practical matter, delay or preclude a provider from using the UNE-Platform to provide voice and advanced data services, increase costs for a major potential (and independent) competitor and likely reduce the size of the market a UNE-P competitor could efficiently address. Ameritech Illinois' position would give it a persistent and profound competitive advantage in cost and efficiency in the provisioning of such service combinations. Indeed, it would not only constrain competition for advanced services, it would also jeopardize any emergent competition for voice service.

b. Ameritech's Proposed "Rip-It-Apart" Approach Could Likely Cause Unnecessary And Extended Service Disruptions.

As AT&T witness Mr. Turner testified, Ameritech's proposed approach involves coordination of the following procedures, at a minimum: (1) disconnection of the UNE-P; (2) connection of the loop to collocation; (3) connection of the switch port to collocation; and (4) associating the switch port with shared transport, which involves the submission and coordination of multiple local service requests. AT&T Ex. 1.0, pp. 20-21, 23. SBC-Ameritech witness Ms. Chapman confirmed the necessity of engaging in these multiple steps under Ameritech's proposal. Tr. 705-715; Ameritech Illinois Ex. No. 7.0, pp. 27-28. If any of these steps becomes disassociated from the others, or is processed at a different time than the others, the customer will suffer from myriad potential problems, including loss of service. AT&T Ex. 1.0, pp. 21-24. Not only is this "rip-it-apart" approach costly, burdensome and unnecessary and therefore undesirable to

UNE-P voice providers; it is also undesirable to data CLECs who, by choosing to collocate a splitter, take on the added responsibilities of monitoring the quality of voice service – which it is not providing – and gratuitously ensuring that it is properly maintained. Tr. 569.

As discussed above and as the Texas Arbitration Panel found, the collocation requirement only serves to increase both the likelihood and duration of these service interruptions.

c. Ameritech’s “Rip-It-Apart” Approach Is Not Only Unnecessarily Costly And Inefficient, But Also Discriminatory And Competitively Crippling.

AT&T witness Mr. Turner testified at length regarding why Ameritech’s willingness to provide the splitter for line sharing but not for line splitting is discriminatory and will severely hamper the ability of AT&T and other UNE-P CLECs from providing a bundle of voice and data services to end users in competition with SBC-Ameritech in a costly and efficient manner. AT&T Ex. 1.0, pp. 3-5, 21-29; AT&T Ex. 2.0, pp. 5-6, 15-19. The Texas Arbitration Panel agreed with AT&T that it is discriminatory for SWBT to provide the splitter in a line sharing context while not providing the splitter in a line splitting context, stating that “SWBT’s policy will have the effect of severely limiting the number of data CLECs with which a UNE-P provider can partner to offer advanced services” which, the Panel determined, “*could prove to be crippling from a competitive standpoint*, especially if ASI, SWBT’s DSL affiliate, has no obligation to continue providing advanced services to a customer who is using AT&T as its voice provider.” Revised Arbitration Award, pp. 21-22 (emphasis supplied). The discriminatory effect Ameritech’s proposal will have in Illinois will be no less severe,

especially given the fact that Ameritech, like SWBT, has stated that it does not intend to continue to provide advanced services to a customer who switches to AT&T or, for that matter, any other CLEC as its voice provider.³³

In short, the Commission should order that Ameritech Illinois be required to provide AT&T and other UNE-P CLECs with the reasonable and nondiscriminatory functionalities and processes it has requested to access the high frequency spectrum of the loop. Specifically, Ameritech should be required to make available a splitter option under which Ameritech would own and deploy splitters for AT&T on a line-at-a-time basis. The Commission should unambiguously reject Ameritech's collocation requirement and it should adopt AT&T's position with respect to the placement of splitters in Ameritech Illinois' central offices. As indicated above there is no legal, technical or operational justification for Ameritech Illinois' position.

C. AMERITECH SHOULD BE REQUIRED TO PROVIDE THE REQUISITE OPERATIONS SUPPORT SYSTEMS TO SUPPORT LINE SPLITTING.

With respect to Operations Support Systems, or OSS, for line splitting, Ameritech Illinois should make available full access to the OSS necessary to support line splitting. Provisions to support pre-ordering and ordering for line splitting must of course be nondiscriminatory and provide for a meaningful opportunity to compete. Ameritech must provide AT&T with all necessary information to identify the locations where Ameritech-deployed splitters are available and any associated equipment information necessary to determine if the splitters are compatible with the advanced services deployment planned

³³ Ameritech Illinois Ex. No. 7.0, Chapman Rebuttal, pp. 30-31.

by AT&T or its authorized advanced service providers, or ASPs. The implementation of nondiscriminatory ordering procedures includes the necessity of Ameritech providing complete documentation and technical assistance necessary for AT&T to understand order format, information content, business rules and all system/network interface requirements necessary for AT&T to access the high frequency spectrum of the loop and to accomplish adds, deletes, moves or changes of service. AT&T Ex. 1.0, p. 26. Each of these types of transactions should be capable of being accomplished using existing UNE-P interfaces with record changes when feasible and should be implemented, wherever possible, so as not to interrupt service.

Establishing non-discriminatory terms and conditions for maintenance and repair are also of paramount importance. From a technical perspective, there are no physical differences between ILEC line sharing and a UNE-P CLEC taking advantage of line splitting, when the ILEC owns and deploys the splitter. Thus, the maintenance procedures should be virtually indistinguishable from those that Ameritech is already providing to its affiliate and data CLECs, and should be provided to a UNE-P carrier in a nondiscriminatory manner. AT&T Ex. 1.0, p. 25. There is no justification for Ameritech to either withhold or delay support for UNE-P CLECs.

In sum, because Ameritech Illinois should be required to make available line splitting as requested by AT&T, it follows that Ameritech Illinois should make available full access to the OSS necessary to support line splitting. The FCC's Local Competition Order, UNE Remand Order, and Line Sharing Order all require that Ameritech Illinois deploy mechanized OSS to support access to

unbundled network elements.³⁴ Absent adequate provision of automated OSS, competition on a broad scale cannot develop.³⁵

D. AT&T SHOULD BE ALLOWED TO UTILIZE AUTHORIZED VENDORS/ADVANCED SERVICE PARTNERS TO PLACE ORDERS WITH AMERITECH ON AT&T'S BEHALF.

AT&T and other UNE-P CLECs should be allowed to designate one or more CLEC contractors as AT&T authorized Advanced Service Providers, who would be authorized by AT&T to add, change or delete advanced services capabilities within the HFPL of a UNE-loop ordered by AT&T. AT&T Ex. 1.0, pp. 29-30. In those instances, Ameritech Illinois would be required to establish a separate Bill Account Number (BAN) for the contractor/agent, who would follow agreed to procedures to identify themselves as authorized to access the HFPL. The use of multiple BANs for an individual carrier is common practice. By establishing a separate BAN for AT&T's "partners," Ameritech Illinois would have a ready means to identify authorized "partners" and the ability to reject activity initiated by other parties. AT&T would be responsible for the service configuration and charges incurred. Unless the AT&T vendor utilized this agreed to methodology, Ameritech Illinois would reject any order that seeks to use, or modify the operation of the UNE loop employed by AT&T.

AT&T is simply asking that Ameritech assure that no party other than the ones authorized by AT&T be allowed to initiate a change to service provided on an AT&T UNE loop. AT&T's request is nothing out of the ordinary; Ameritech deals with CLECs' third party vendors on a regular basis. AT&T Ex. 2.0, p 18. The Commission should

³⁴ Local Competition Order, ¶¶ 516-518; UNE Remand Order, ¶ 426; Line Sharing Order, ¶¶ 99-101.

³⁵ See, e.g., Local Competition Order, at ¶ 518.

therefore allow AT&T and other UNE-P CLECs to designate authorized “agents” among the data CLECs with whom they may partner in providing packages of data and voice services. This request would not impose any improper or unusual requirement on Ameritech Illinois, and the limiting conditions proposed by Ameritech would adequately protect Ameritech in dealings with “cooperating” CLECs. Facilitating such arrangements with data CLECs will increase the competitive choices available to customers and enhance the efficiency with which packages of voice and data services can be offered to them.

**E. AMERITECH SHOULD CONTINUE TO PROVIDE
ADVANCED SERVICES TO THE END USER WHEN THE
END USER MOVES ITS VOICE SERVICE TO A UNE-P
CLEC.**

AT&T additionally requests that it be able to provide voice services to any customer who elects AT&T or another UNE-P CLEC as their voice service provider, using the same loop Ameritech was using to provide voice services to the customer. When the service is converted from line sharing to line splitting, Ameritech Illinois should not be permitted to discontinue or threaten to discontinue advanced data services to that customer. AT&T agrees to bill the Ameritech Illinois advanced services provider no more than it was being billed by Ameritech Illinois for the same service. Accordingly, data services provided by AADS should continue to provide all existing data services in the HFPL, on a prospective basis, to any customer that chooses AT&T (or any other UNE-P CLEC) as their local service carrier for voice services if the retail customer desires continuation of such service. Unless it is required to continue providing data services in these circumstances, Ameritech would be in a position to include anti-competitive charges in its contracts with its end-users as a deterrent to changing voice

providers. Because Ameritech must meet its legal obligation of enabling CLECs to provide both voice and data over a single UNE-P loop, as long as Ameritech is failing to meet this duty by denying its own DSL service to customers who choose AT&T's voice service, Ameritech engages in unreasonable discrimination.

F. CONCLUSION

All AT&T seeks is access to the same network capabilities – and to the same efficiencies and reliability – that result when Ameritech provides voice and data in conjunction with AADS (its advanced services affiliate) or shares its loop with a data CLEC. Whether AT&T deploys all of its own assets (digital subscriber line access multiplexers (“DSLAMs”) and other packet switches) to provide advanced services or obtains those capabilities through voluntary commercial arrangements with a third party, what AT&T needs is simple: access to the same configuration, functionalities, and support Ameritech provides when other carriers, whether AADS or data CLECs, decide not to compete for Ameritech's voice services on that loop. This Commission should require Ameritech to provide line splitting to ensure that AT&T and other UNE-P CLECs are able to gain their legally entitled access to the full functionality of the loop and are able to provide customers with both voice and data service over the same loop in a costly,

efficient and pro-competitive manner. The Commission should not reserve this status exclusively for Ameritech Illinois.

Respectfully submitted,

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